

(Official Form 1) (12/03)

FORM B1		United States Bankruptcy Court Eastern District of Virginia	Voluntary Petition						
Name of Debtor (if individual, enter Last, First, Middle): <b>Xybernaut Corporation</b>		Name of Joint Debtor (Spouse) (Last, First, Middle):							
All Other Names used by the Debtor in the last 6 years (include married, maiden, and trade names):		All Other Names used by the Joint Debtor in the last 6 years (include married, maiden, and trade names):							
Last four digits of Soc. Sec. No./Complete EIN or other Tax I.D. No. (if more than one, state all): <b>54-1799851</b>		Last four digits of Soc. Sec. No./Complete EIN or other Tax I.D. No. (if more than one, state all):							
Street Address of Debtor (No. & Street, City, State & Zip Code): <b>12701 Fair Lakes Circle Suite 550 Fairfax, VA 22033</b>		Street Address of Joint Debtor (No. & Street, City, State & Zip Code):							
County of Residence or of the Principal Place of Business: <b>Fairfax</b>		County of Residence or of the Principal Place of Business:							
Mailing Address of Debtor (if different from street address):		Mailing Address of Joint Debtor (if different from street address):							
Location of Principal Assets of Business Debtor (if different from street address above):									
<b>Information Regarding the Debtor (Check the Applicable Boxes)</b>									
<p><b>Venue</b> (Check any applicable box)</p> <p><input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.</p> <p><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.</p>									
<input type="checkbox"/> Individual(s) <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____		<input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank							
<p><b>Chapter or Section of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box)</p> <p><input type="checkbox"/> Chapter 7  <input type="checkbox"/> Chapter 9  <input type="checkbox"/> Sec. 304 - Case ancillary to foreign proceeding</p> <p><input checked="" type="checkbox"/> Chapter 11  <input type="checkbox"/> Chapter 12</p> <p><input type="checkbox"/> Chapter 13</p>									
<p><b>Nature of Debts</b> (Check one box)</p> <p><input type="checkbox"/> Consumer/Non-Business      <input checked="" type="checkbox"/> Business</p>		<p><b>Filing Fee</b> (Check one box)</p> <p><input checked="" type="checkbox"/> Full Filing Fee attached</p> <p><input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.</p>							
<p><b>Statistical/Administrative Information</b> (Estimates only)</p> <p><input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.</p> <p><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.</p>									
THIS SPACE IS FOR COURT USE ONLY									
Estimated Number of Creditors		1-15	16-49	50-99	100-199	200-999	1000-over		
Estimated Assets		\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million
Estimated Debts		\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million

(Official Form 1) (12/03)

FORM B1, Page 2

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>Xybernaut Corporation</b>	
Location Where Filed: <b>None</b>		Prior Bankruptcy Case Filed Within Last 6 Years (If more than one, attach additional sheet) Case Number: _____ Date Filed: _____	
Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet) Name of Debtor: <b>Xybernaut Solutions, Inc.</b>		Case Number: _____ Date Filed: <b>July 25, 2005</b>	
District: <b>Eastern District of Virginia</b>		Relationship: <b>Subsidiary</b> Judge: _____	
<b>Signatures</b>			
<p><b>Signature(s) of Debtor(s) (Individual/Joint)</b>  I declare under penalty of perjury that the information provided in this petition is true and correct.  [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p>			
<p><b>Exhibit A</b>  (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)</p> <p><input checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>			
<p><b>Exhibit B</b>  (To be completed if debtor is an individual whose debts are primarily consumer debts)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.</p>			
<p><b>X</b> _____ <b>Signature of Attorney for Debtor(s)</b> _____ <b>Date</b> _____</p>			
<p><b>Exhibit C</b>  Does the debtor own or have possession of any property that poses a threat of imminent and identifiable harm to public health or safety?</p> <p><input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.  <input checked="" type="checkbox"/> No</p>			
<p><b>Signature of Non-Attorney Petition Preparer</b>  I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.</p>			
<p>Printed Name of Bankruptcy Petition Preparer _____</p>			
<p>Social Security Number (Required by 11 U.S.C. § 110(c).) _____</p>			
<p>Address _____</p>			
<p>Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document: _____</p>			
<p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p>			
<p><b>X</b> _____ <b>Signature of Bankruptcy Petition Preparer</b> _____</p>			
<p>Date _____</p>			
<p>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.</p>			
<p><b>Signature of Authorized Individual</b> <b>Perry L. Nolen</b></p>		<p>Printed Name of Authorized Individual <b>President and Chief Executive Officer</b></p>	
<p>Title of Authorized Individual <b>July 25, 2005</b></p>		<p>Date _____</p>	

**United States Bankruptcy Court**  
**Eastern District of Virginia**

In re **Xybernaut Corporation**

Case No. \_\_\_\_\_

Debtor

Chapter 11

**Exhibit "A" to Voluntary Petition**

1. If any of debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934, the SEC file number is 0-21013.
2. The following financial data is the latest available information and refers to debtor's condition on July 26, 2005.

a. Total assets	\$ <u>40,000,000.00</u>	Approximate number of holders
b. Total debts (including debts listed in 2.c., below)	\$ <u>3,200,000.00</u>	
c. Debt securities held by more than 500 holders.		
secured / /    unsecured / /    subordinated / /	\$ <u>0.00</u>	
secured / /    unsecured / /    subordinated / /	\$ <u>0.00</u>	
secured / /    unsecured / /    subordinated / /	\$ <u>0.00</u>	
secured / /    unsecured / /    subordinated / /	\$ <u>0.00</u>	
secured / /    unsecured / /    subordinated / /	\$ <u>0.00</u>	
d. Number of shares of preferred stock	<u>0</u>	0
e. Number of shares of common stock	<u>196,000,000</u>	0

## Comments, if any:

Total amount of assets based upon recent appraisal information.

## 3. Brief description of debtor's business:

Provider of wearable/mobile computing hardware, software and services

## 4. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:

None

**Form 4. LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

**United States Bankruptcy Court**

**Eastern District of Virginia**

In re Xybernaut Corporation

Debtor(s)

Case No.

Chapter

11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, or disputed, or subject to setoff	Amount of claim [if secured, also state value of security]
Troutman Sanders LLP 600 Peachtree Street NE Suite 100 Atlanta, GA 30308	Troutman Sanders LLP 600 Peachtree Street NE Suite 100 Atlanta, GA 30308	Professional Services	Disputed	233,728.66
Alex Job Racing, Inc. 551 Southridge Industrial Dr. Tavares, FL 32778	Alex Job Racing, Inc. 551 Southridge Industrial Dr. Tavares, FL 32778	Trade debt		172,000.00
American Express P.O. Box 1270 Newark, NJ 07101	American Express P.O. Box 1270 Newark, NJ 07101	Trade debt		117,022.97
IBM Corporation 150 Kettletown Road Southbury, CT 06488	IBM Corporation 150 Kettletown Road Southbury, CT 06488	Trade debt		50,000.00
Salesforce.com, Inc. P.O. Box 5126 Carol Stream, IL 60197	Salesforce.com, Inc. P.O. Box 5126 Carol Stream, IL 60197	Trade debt		40,698.22
Hyatt Plaza LP P.O. Box 752085 Charlotte, NC 28275	Hyatt Plaza LP P.O. Box 752085 Charlotte, NC 28275	Trade debt		40,233.92
Federal Express P.O. Box 371461 Pittsburgh, PA 15250	Federal Express P.O. Box 371461 Pittsburgh, PA 15250	Trade debt		39,358.73
Morgan Franklin 64 Industrial Park Suite 101 Waldorf, MD 20602	Morgan Franklin 64 Industrial Park Suite 101 Waldorf, MD 20602	Trade debt		39,012.27
ACYS P.O. Box 631267 Baltimore, MD 21263	ACYS P.O. Box 631267 Baltimore, MD 21263	Trade debt		32,423.75
Pushmann & Borchert Bajuwarenring 21 D-82041 Muchen/Oberhaching	Pushmann & Borchert Bajuwarenring 21 D-82041 Muchen/Oberhaching	Trade debt		16,954.18
Grant Thornton LLP 33960 Treasury Center Chicago, IL 60694	Grant Thornton LLP 33960 Treasury Center Chicago, IL 60694	Professional Services	Disputed	15,610.88
Alston Bird 601 Pennsylvania Avenue, NW Washington, DC 20004	Alston Bird 601 Pennsylvania Avenue, NW Washington, DC 20004	Trade debt		15,234.79

In re Xybernaut Corporation

Debtor(s)

Case No. \_\_\_\_\_

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**  
**(Continuation Sheet)**

Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, or disputed, or subject to setoff	Amount of claim [if secured, also state value of security]
BB&T Visa - Ghost P.O. Box 58362 Charlotte, NC 28258	BB&T Visa - Ghost P.O. Box 58362 Charlotte, NC 28258	Trade debt		13,548.05
E. Del Smith and Company, Inc. 1130 Connecticut Avenue, N.W. Suite 650 Washington, DC 20038	E. Del Smith and Company, Inc. 1130 Connecticut Avenue, N.W. Suite 650 Washington, DC 20038	Trade debt		12,000.00
Project Design Company 1425 Euclid Street, NW No. 3 Washington, DC 20009	Project Design Company 1425 Euclid Street, NW No. 3 Washington, DC 20009	Trade debt		9,920.00
Julius Boniface Rauch IV P.O. Box 65882 Washington, DC 20035	Julius Boniface Rauch IV P.O. Box 65882 Washington, DC 20035	Trade debt		9,810.00
Threespot Media, LLC 1724 Kalorama Road, NW Washington, DC 20009	Threespot Media, LLC 1724 Kalorama Road, NW Washington, DC 20009	Trade debt		9,743.92
Westgate Consulting Group 6 Piasner Court Jackson, NJ 08527	Westgate Consulting Group 6 Piasner Court Jackson, NJ 08527	Trade debt		9,000.00
En Pointe Technologies P.O. Box 514429 Los Angeles, CA 90051	En Pointe Technologies P.O. Box 514429 Los Angeles, CA 90051	Trade debt		7,760.00
DLA Consultants Inc. 7106 Morgan Island Way Gainesville, VA 20155	DLA Consultants Inc. 7106 Morgan Island Way Gainesville, VA 20155	Trade debt		6,525.39

**DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR**

I declare under penalty of perjury that I have read the foregoing List of Creditors Holding 20 Largest Unsecured Claims and that it is true and correct to the best of my information and belief.

Date July 26, 2005

Signature /s/ Perry L. Nolen  
Perry L. Nolen  
President and Chief Executive Officer

*Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.*

**United States Bankruptcy Court**  
**Eastern District of Virginia**

In re Xybernaut Corporation

Case No. \_\_\_\_\_

Debtor

Chapter 11

**DECLARATION OF DIVISIONAL VENUE**

The debtor's domicile, residence, principal place of business or principal assets were located for the greater part of the 180 days preceding the filing of the bankruptcy petition in the indicated city or county [check one box only]:

**Alexandria Division****Cities:**

- Alexandria-510
- Fairfax-600
- Falls Church-610
- Manassas-683
- Manassas Park-685

**Counties:**

- Arlington-013
- Fairfax-059
- Fauquier-061
- Loudoun-107
- Prince William-153
- Stafford-179

**Richmond Division****Cities:**

- Richmond (city)-760
- Colonial Heights-570
- Emporia-595
- Fredericksburg-630
- Hopewell-670
- Petersburg-730

**Counties:**

- Amelia-007
- Brunswick-025
- Caroline-033
- Charles City-036
- Chesterfield-041
- Dinwiddie-053
- Essex-057
- Goochland-075
- Greensville-081
- Hanover-085
- Henrico-087
- King and Queen-097
- King George-099
- King William-101
- Lancaster-103
- Lunenburg-111
- Mecklenburg-117
- Middlesex-119
- New Kent-127
- Northumberland-133
- Nottoway-135
- Powhatan-145
- Prince Edward-147
- Prince George-149
- Richmond (county)-159
- Spotsylvania-177
- Surry-181
- Sussex-183
- Westmoreland-193

**Norfolk Division****Cities:**

- Norfolk-710
- Cape Charles-535
- Chesapeake-550
- Franklin-620
- Portsmouth-740
- Suffolk-800
- Virginia Beach-810

**Counties:**

- Accomack-001
- Isle of Wight-093
- Northampton-131
- Southampton-175

**Newport News Division****Cities:**

- Newport News-700
- Hampton-650
- Poquoson-735
- Williamsburg-830

**Counties:**

- Gloucester-073
- James City-095
- Mathews-115
- York-199

Date: July 26, 2005*/s/ Thomas E. Cabaniss*

Signature of Attorney  
 Thomas E. Cabaniss (VSB No. 14788)

- There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this Division.

**SECRETARY'S CERTIFICATE**

I, H. Jan Roltsch-Anoll, Acting Secretary of Xybernaut Corporation, a Delaware corporation (the "Corporation"), DO HEREBY CERTIFY that attached hereto is a true and correct copy of the resolutions adopted by the Board of Directors of the Corporation, the parent and sole stockholder of Xybernaut Solutions, Inc., and the Board of Directors of Xybernaut Solutions, Inc. (together, the "Boards"), at a meeting held on July 25, 2005, at which meeting a quorum of each of the Boards was present and validly acting throughout (the "Resolutions"). The Resolutions are in full force and effect as of the date hereof.

I have hereunto set my hand this 25th day of July, 2005.

/s/ H. Jan Roltsch-Anoll  
H. Jan Roltsch-Anoll

**RESOLUTIONS  
ADOPTED BY THE BOARD OF DIRECTORS  
OF XYBERNAUT CORPORATION**

The following resolutions were duly adopted by the Board of Directors of Xybernaut Corporation and of the Board of Directors of Xybernaut Solutions, Inc., its wholly owned subsidiary, (collectively the "Board" and the "Corporation"), at a special meeting of the Board duly held by telephonic conference on July 25, 2005, at which all of the Corporation's directors who were present were able to speak and hear each other, and such resolutions have not been amended or rescinded and are now in full force and effect:

**WHEREAS**, in the judgment of the Board, it is desirable and in the best interests of the Corporation, its creditors, stockholders, and other interested parties that the Corporation file a petition under the provisions of chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") seeking the bankruptcy protections and relief provided therein (the "Bankruptcy");

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that Perry L. Nolen or any other person or persons so designated by the Board (collectively, the "Authorized Signatories," and each an "Authorized Signatory") be, and each of them hereby is, authorized and directed on behalf of the Corporation to execute and verify a petition in the name of the Corporation under chapter 11 of the Bankruptcy Code and to cause such petition to be filed in the United States Bankruptcy Court for the Eastern District of Virginia, Alexandria Division (the "Bankruptcy Court"), in such form and at such time as the Authorized Signatory executing said petition on behalf of the Corporation shall determine;

**FURTHER RESOLVED** that the Authorized Signatories or any one of them be, and each of them hereby is, authorized to (i) take, or cause to be taken, any and all action, (ii) execute and file, or cause to be executed and filed, any and all documents, including, without limitation, all petitions, affidavits, schedules, motions, lists, applications, pleadings, and other papers, and (iii) employ and retain all assistance by legal counsel, accountants, and other professionals, as in its judgment shall be necessary, appropriate, or advisable in connection with the Bankruptcy;

**FURTHER RESOLVED** that the law firm of McGuireWoods LLP be, and hereby is, employed and retained as counsel to the Corporation in the Bankruptcy;

**FURTHER RESOLVED** that IP Innovations Financial Services be, and hereby are, employed and retained as the investment banker and consultant to the Corporation in the Bankruptcy;

**FURTHER RESOLVED** that Boardroom Specialits, LLC, be, and hereby is, employed and retained as the restructuring advisor and consultant to the Corporation in the Bankruptcy;

**FURTHER RESOLVED** that all acts lawfully done or actions lawfully taken by any Authorized Signatory or any officers of the Corporation to seek relief under chapter 11 of the Bankruptcy Code or in connection with the Bankruptcy, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Corporation;

**FURTHER RESOLVED** that the Corporation, as the sole stockholder of Xybernaut Solutions, Inc. ("Subsidiary") be, and hereby is, authorized and empowered to (i) take, or cause to be taken, any and all further action, (ii) execute and deliver, or cause to be executed and delivered, any and all further agreements, consents, resolutions, certificates, documents and other papers, and (iii) incur all further fees and expenses, as in its judgment shall be necessary, appropriate, or advisable to cause each of the Subsidiaries to execute and verify a petition in the name of such Subsidiary under chapter 11 of the Bankruptcy Code and to cause each such petition to be filed in the Bankruptcy Court in such form and at such time as the officer or authorized individual executing said petition on behalf of such Subsidiary shall determine;

**FURTHER RESOLVED** that, in addition to the specific authorizations heretofore conferred upon the Authorized Signatories, the Authorized Signatories of the Corporation be, and each of them, with full authority to act without the others, hereby is, authorized, in the name and on behalf of the Corporation, to (i) take, or cause to be taken, any and all further action, (ii) execute and deliver, or cause to be executed and delivered, any and all further agreements, consents, resolutions, certificates, documents, and other papers, and (iii) incur all further fees and expenses, as in their judgment shall be necessary, appropriate, or advisable to effectuate fully the purpose and intent of any and all of the foregoing resolutions; and

**FURTHER RESOLVED**, that any and all actions taken by the Authorized Signatories or other officers of the Corporation prior to the date first set forth above with respect to any of the matters contemplated by the foregoing resolutions are hereby adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Corporation.